

SAFO Sustaining Animal Health and Food
Safety in Organic Farming
3rd Workshop
16 to 18 September 2004

*Challenges of the organic
milk production in Hungary*

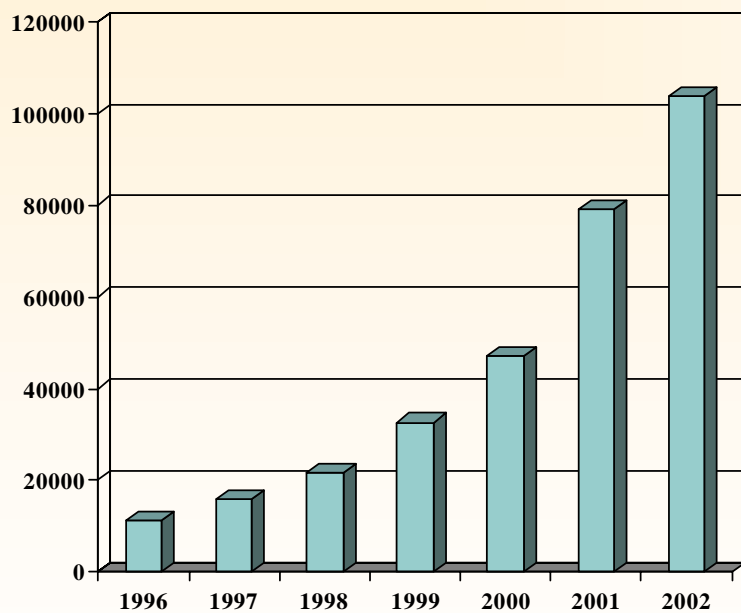
*Katalin Tóth & Viktória Szente
University of Kaposvár,
Faculty of Economics,
Department of Farm Economics*



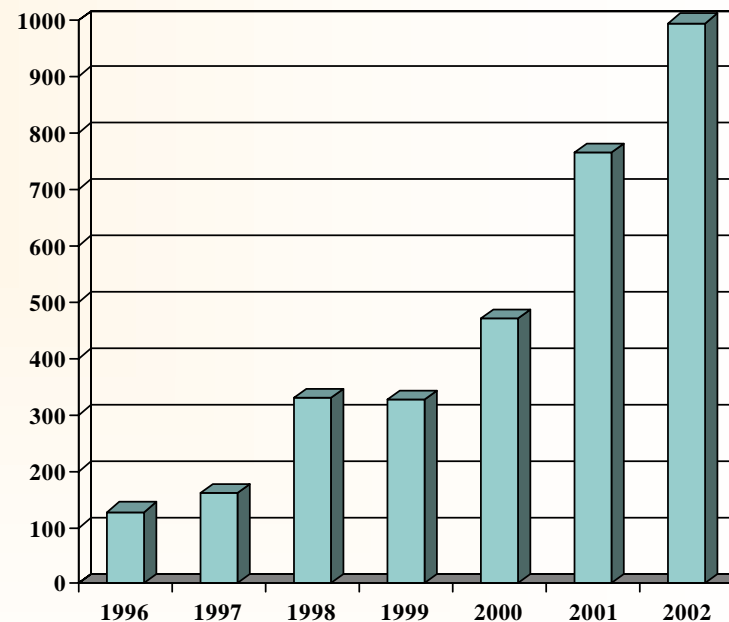
Introduction

- Recently the definition of **continuous development** is more important.
- One of the main elements of the continuous development is **organic farming**.
- This type of the production is **spreading** in Hungary.

Registered land (ha) and number of farms



Registered land (ha)



Number of farms

Data of the Hungarian livestock

- Altogether **11,210** livestock units are kept on 83 farms in 2003 in Hungary.
- That includes **7,503** cattle livestock unit, mainly beef type.
- In 2003, there were **555 milk type cows** on 12 organic farms in Hungary (own research).

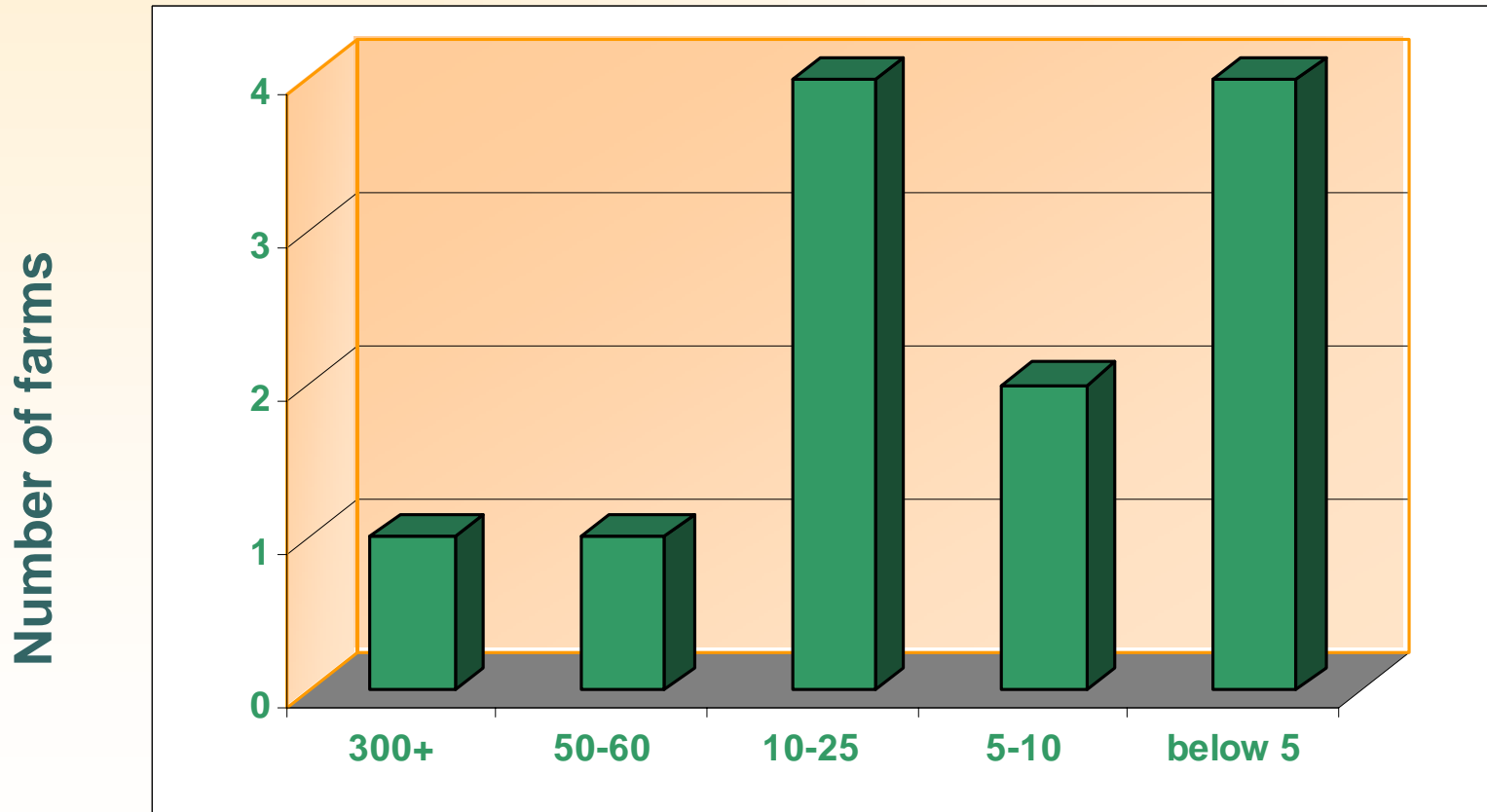


The **AIM** of our study was to analyse and introduce the **situation** of the organic milk production in Hungary. It was also important to discover **subjective factors** such as motivation and **external effects** in order to reveal difficulties and challenges of organic milk production in Hungary.

Materials and methods

- In the first part of the research, **secondary information and data** were collected from the available literature.
- The **primary research** was based on deep interviews with **each of the producers**, which was reasonable due to the low number of the farmers.

Distribution of farms by their size in Hungary, 2003



Motivation of farmers

- Main motivating factor of starting farming and setting future objectives is **environment friendly** farming.
- One third of the farmers admits that **economic reasons** (such as a better profitability) of organic farming are also motivating factors.
- There are basically 2 ways how farmers plan to **exploit the advantages** of organic farming:
 - increasing size and
 - additional services (organic tourism, training).

Characteristics of farms

- Each farm built the **whole product chain** from food production and conservation, over heifer-raising, product handling and processing to selling end-products (raw milk, cheese, curds, butter, etc.).
- The producers are intending on vertically and horizontally **complex production**.
- Typically, local **unqualified labour** is hired on the farms, but a **highly educated manager** is responsible for the daily routine and control.

Characteristics of milk type cows

- Positive issue is the choice of a suitable breed.
- The major breeds are **Holstein** and **Hungarian Red**, but...



...the **genetic basis** of the Hungarian production is the latter one.

This breed is often used in cross-breeds with Holstein, Jersey, Hungarofrezian or Finnish Ayrshire.

Animal health and hygiene

- The critical disease is **mastitis** and in one of the farms the number of the animals dropped due to **leucosis immunisation**.
- **Natural resistance** of animals is maintained by good quality feed and free range keeping.
- The use of medication is highly regulated.
- **Herbs** and **homeopathic drugs** may be used.





-
- Healthy animal gives healthy product with good quality.
 - This fact is in great part due to **herbs** grazed by cows in pasture.
 - On the other hand scientists found higher **CLA** (conjugated linoleic acid) in the organic milk probable because of the **grazing**.
 - Healthcare advantages of CLA are:
 - **protection** against the **cancer**, and **arteriosclerosis**;
 - the second duty is the **immunomodulatory**;
 - third good effect of the CLA is that it makes body **muscle fibrous**.

Production

- The annual milk yield per cow is fluctuating around **3.5 to 7.5 thousand litres**.
 - The average of stocks is 5.1 thousand.
 - The weighted average is 6.7 thousand litres.
- There are particular data regarding composition of the organic milk.
- The **fat content** is **4%** and **protein content** is **3.5 %** of the milk (with high, **0.38** and **0.31** deviation).

Processing I.

- Majority of farmers process the milk in their **own processing facilities**.
- Processed **products** are: hard and semi-hard cheeses and yoghurts with a variation of flavouring, butter, kefir and curds.



Processing II.

- The **largest farm** has not got own processing facilities, it sells their milk to a domestic milk processing company which has already appeared with organic milk products in Hungarian supermarkets.



Marketing I.

- There are five main ways of marketing existing in Hungary: **selling from home**, **special organic shops**, **selling on organic and conventional markets**, **mail ordering** and by now Hungarian organic milk products are available in **supermarkets** too.



Marketing II.

- As a contrast to the majority of the organic products, the only market for the organic milk products is Hungary; currently **there is not export capacity.**
- The greatest danger that remains to be encountered are **imports.**



Subsidies

- From 2002 the difficult system of tenders was changed to **normative payments**. (Payment is given on the basis of fulfilling the requirements.)
- In Hungary there are not any payments for organic milk.
- However, indirect payments are available for all organic farmers.
- Independently from the payments organic milk production is a **good source of income**.

Discussion

Challenges of Hungarian organic milk production are:

- **Feeding** (due to distances it is difficult to complement the forage).
- **Animal hygiene** (it is abiding source of danger that is why it requires continuous care and prevention)
- Hungarian **market is** momentarily **unsettled** and unknown by the consumers → goal is to increase the domestic consumption.

THANK YOU FOR
YOUR ATTENTION!